

MELINDA HAAG (CABN 132612)  
United States Attorney

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RICHARD W. WIEKING  
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NORTHERN DISTRICT OF CALIFORNIA

WHO

CR 15

126

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA

v.

(1) VLADIMIR HANDL,  
(2) MICHAEL ROSE,  
(3) PETER SCALISE,  
(4) PML CLUBS, INC.,  
(5) DAVID GAITHER,  
(6) JONATHAN FERRARO,  
(7) RICHARD LEYLAND,  
(8) EDWIN HETHERTON, and  
(9) PAUL FINK,

Defendants.

No.

VIOLATIONS: Title 18, United States Code, Section  
1962(d) – Racketeering Conspiracy; Title 18, United  
States Code, Section 1962(c) – Racketeering; Title  
18, United States Code, Section 1956(h) – Money  
Laundering Conspiracy; Title 18, United States Code,  
Section 1956(a)(3)(A) & (B) – Money Laundering;  
Title 18, United States Code, Section 641 – Theft of  
United States Property; Title 21, United States Code,  
Section 846 – Narcotics Conspiracy; Title 18, United  
States Code, Section 2 – Aiding & Abetting; Title 18,  
United States Code, Sections 1963, 982(a)(1), and  
981(a)(1)(C), Title 21, United States Code, Section  
853(a)(1) & (2), and Title 28, United States Code,  
Section 2461(c) – Forfeiture

SAN FRANCISCO VENUE

UNDER SEAL

INDICTMENT

The Grand Jury charges:

COUNT ONE: (18 U.S.C. § 1962(d) – Racketeering Conspiracy)

Introductory Allegations

At all times relevant to this Indictment:

1. Defendant VLADIMIR HANDL was a businessman in Myrtle Beach, South Carolina,

1 with a variety of business interests, including interests in restaurants, night clubs, and personal fitness.  
2 HANDL operated and controlled, among other entities, VIP Group, LLC, International VH, LLC, and  
3 Heat Lounge, LLC. Defendant MICHAEL ROSE, like HANDL, was a businessman in the Myrtle  
4 Beach area, with interests in, among other things, restaurants, night clubs, and strip clubs. ROSE was  
5 the principal owner of defendant PML CLUBS, INC. PML CLUBS, INC., was a Delaware corporation  
6 with ROSE in South Carolina as its registered agent. ROSE, through PML CLUBS, INC., owned the  
7 rights to use the name "The Gold Club" in connection with the operation of strip clubs. ROSE, through  
8 PML CLUBS, INC., licensed the name "The Gold Club" to franchisees throughout the United States.  
9 ROSE, through PML CLUBS, INC., also directly operated a variety of strip clubs on the East Coast of  
10 the United States, including The Gold Clubs in Myrtle Beach, Hilton Head, and Wellford in South  
11 Carolina, The Gold Club in Wilmington, Delaware, and The Gold Club in Bedford, New Hampshire. In  
12 addition to PML CLUBS, INC., ROSE also operated and controlled, among other entities, Explosive  
13 Clubs, Inc., Nightclub and Restaurant Services, LLC, Legacy Entertainment, East Coast Restaurant &  
14 Nightclubs, and Micro Management Group, LLC.

15 2. Defendant DAVID GAITHER was an associate of MICHAEL ROSE and helped manage  
16 some of ROSE's strip clubs. Defendant JONATHAN FERRARO was also an associate of ROSE and  
17 owned and operated several clubs of his own in Wisconsin. Defendant PETER SCALISE was an  
18 associate of HANDL who, at one time, operated a restaurant with HANDL. SCALISE was also a  
19 brother-in-law of Edwin Hetherton, with whom he engaged in fraudulent real estate transactions.

#### 20 The Racketeering Enterprise

21 3. Defendants VLADIMIR HANDL, MICHAEL ROSE, PETER SCALISE, PML CLUBS,  
22 INC., DAVID GAITHER, and JONATHAN FERRARO, and the entities operated and controlled by  
23 HANDL and ROSE, including VIP Group, LLC, International VH, LLC, and Heat Lounge, LLC,  
24 Explosive Clubs, Inc., Nightclub and Restaurant Services, LLC, Legacy Entertainment, East Coast  
25 Restaurant & Nightclubs, and Micro Management Group, LLC, together with others known and  
26 unknown, comprised the "Handl Enterprise." The Handl Enterprise, including its leadership, members,  
27 and associates, in the Northern District of California and elsewhere, constituted an "enterprise" as  
28 defined in Title 18, United States Code, Section 1961(4), that is, a group of individuals and entities

1 associated in fact. The enterprise constituted an ongoing organization whose members functioned as a  
2 continuing unit for a common purpose of achieving the objectives of the enterprise. The enterprise  
3 engaged in, and its activities affected, interstate and foreign commerce.

4 Purposes of the Enterprise

5 4. The purposes of the Handl Enterprise included but were not limited to the following:

- 6 a. Obtaining profits and property for its members and associates through the  
7 commission of criminal acts, including, but not limited to, laundering money;  
8 b. Promoting and enhancing the enterprise and the activities of its members and  
9 associates;  
10 c. Providing assistance to other enterprise members and associates in order to  
11 hinder, obstruct, and prevent law enforcement officers from identifying the offenders, apprehending the  
12 offenders, and successfully prosecuting and punishing the offenders.

13 Means and Methods of the Enterprise

14 5. Among the means and methods by which the members and associates of the Handl  
15 Enterprise conducted and participated in the conduct of the affairs of the enterprise were the following:

- 16 a. The members and associates of the Handl Enterprise sought to establish  
17 relationships with individuals they believed were engaged in criminal activity in order to cultivate  
18 clients for the Handl Enterprise's money laundering services.  
19 b. The members and associates of the Handl Enterprise created shell business  
20 entities in order to use these entities for their money laundering activities.  
21 c. The members and associates of the Handl Enterprise created documents  
22 containing false information, such as fraudulent invoices, false contracts, and other fraudulent business  
23 records, in order to facilitate their money laundering activities.  
24 d. The members and associates of the Handl Enterprise used assets and property of  
25 PML CLUBS, INC., and other entities operated and controlled by HANDL and ROSE in order to  
26 facilitate their money laundering activities.  
27 f. The members and associates of the Handl Enterprise solicited investments from  
28 individuals they believed were engaged in criminal activity.

The Racketeering Conspiracy

6. From at least in or about 2011, up through and including the date of this Indictment, in the Northern District of California and elsewhere, the defendants,

(1) VLADIMIR HANDL,

(2) MICHAEL ROSE,

(3) PETER SCALISE,

(4) PML CLUBS, INC.,

(5) DAVID GAITHER, and

(6) JONATHAN FERRARO,

and others known and unknown, being persons employed by and associated with the enterprise described above, namely, the Handl Enterprise, which enterprise was engaged in, and the activities of which affected, interstate and foreign commerce, unlawfully and knowingly combined, conspired, confederated, and agreed together and with each other to conduct and participate, directly and indirectly, in the conduct of the affairs of the enterprise through a pattern of racketeering activity, which pattern of racketeering consisted of:

a. multiple acts indictable under Title 18, United States Code, Sections 1956 and 1344; and

b. offenses involving dealing in a controlled substance, in violation of Title 18, United States Code, Sections 841(a)(1) and 846.

7. It was part of the conspiracy that each defendant agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise.

All in violation of Title 18, United States Code, Section 1962(d).

COUNT TWO: (18 U.S.C. § 1962(c) – Racketeering)

8. Paragraphs 1 through 5 of this Indictment are realleged, repeated, and incorporated by reference as though fully set forth herein.

9. From at least in or about 2011, up through and including the date of this Indictment, in the Northern District of California and elsewhere, the defendants,

(1) VLADIMIR HANDL,

1 (2) MICHAEL ROSE,

2 (3) PETER SCALISE, and

3 (4) PML CLUBS, INC.,

4 and others known and unknown, being persons employed by and associated with the enterprise  
5 described above, namely, the Handl Enterprise, which enterprise was engaged in, and the activities of  
6 which affected, interstate and foreign commerce, unlawfully and knowingly conducted and participated,  
7 directly and indirectly, in the conduct of the affairs of that enterprise through a pattern of racketeering  
8 activity, that is, through the commission of the acts of racketeering set forth in Paragraphs 10 through 12  
9 of this Indictment as Racketeering Acts 1 through 118.

10 The Pattern of Racketeering Activity

11 10. The pattern of racketeering activity, as defined in Title 18, United States Code, Sections  
12 1961(1) and 1961(5), consisted of the following acts:

13 Racketeering Acts 1 Through 13

14 (Money Laundering)

15 11. Defendants VLADIMIR HANDL and PETER SCALISE committed the following acts of  
16 racketeering, which constitute Racketeering Acts 1 through 13:

17 a. On or about the dates set forth in the following table, in the Northern District of  
18 California and elsewhere, the defendants,

19 VLADIMIR HANDL and

20 PETER SCALISE,

21 and others known and unknown, unlawfully and knowingly, and with the intent to promote the carrying  
22 on of specified unlawful activity and to conceal and disguise the nature, location, source, ownership, and  
23 control of property believed to be the proceeds of specified unlawful activity, to wit, concealing property  
24 from a court in connection with a case under Title 11, in violation of Title 18, United States Code,  
25 Section 152, conducted and attempted to conduct a financial transaction, to wit, wire transfers, involving  
26 property represented to be the proceeds of specified unlawful activity, and property used to conduct and  
27 facilitate specified unlawful activity, in violation of Title 18, United States Code, Sections 1956(a)(3)(A)  
28 & (B) and 2, as described in the following table:

Racketeering Act	Date of Financial Transaction	Type of Financial Transaction	Amount of Financial Transaction
1	January 17, 2012	Wire Transfer	\$13,500
2	January 23, 2012	Wire Transfer	\$22,500
3	January 30, 2012	Wire Transfer	\$22,500
4	February 6, 2012	Wire Transfer	\$22,500
5	February 13, 2012	Wire Transfer	\$22,500
6	February 21, 2012	Wire Transfer	\$22,500
7	February 27, 2012	Wire Transfer	\$22,500
8	March 5, 2012	Wire Transfer	\$22,500
9	March 12, 2012	Wire Transfer	\$22,500
10	March 19, 2012	Wire Transfer	\$22,500
11	March 26, 2012	Wire Transfer	\$22,500
12	April 3, 2012	Wire Transfer	\$22,500
13	April 9, 2012	Wire Transfer	\$9,000

Racketeering Acts 14 Through 118

(Money Laundering)

12. Defendants VLADIMIR HANDL, MICHAEL ROSE, PETER SCALISE, and PML CLUBS, INC., committed the following acts of racketeering, which constitute Racketeering Acts 14 through 118:

a. On or about the dates set forth in the following table, in the Northern District of California and elsewhere, the defendants,

(1) VLADIMIR HANDL,

(2) MICHAEL ROSE,

(3) PETER SCALISE, and

(4) PML CLUBS, INC.,

and others known and unknown, unlawfully and knowingly, and with the intent to conceal and disguise

the nature, location, source, ownership, and control of property believed to be the proceeds of specified unlawful activity, to wit, distribution of a controlled substance and possession of a controlled substance with intent to distribute, in violation of Title 21, United States Code, Section 841(a)(1), and conspiracy to distribute a controlled substance and to possess a controlled substance with intent to distribute, in violation of Title 21, United States Code, Section 846, conducted and attempted to conduct a financial transaction, to wit, transfers of checks that were subsequently negotiated and wire transfers, involving property represented to be the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Sections 1956(a)(3)(B) and 2, as described in the following table:

Racketeering Act	Date of Financial Transaction	Type of Financial Transaction	Amount of Financial Transaction
14	June 7, 2012	Transfer of Check	\$27,500
15	June 11, 2012	Transfer of Check	\$25,000
16	June 14, 2012	Transfer of Check	\$23,975
17	June 15, 2012	Transfer of Check	\$13,525
18	June 25, 2012	Transfer of Check	\$21,140
19	June 28, 2012	Transfer of Check	\$26,850
20	July 3, 2012	Transfer of Check	\$18,950
21	July 11, 2012	Transfer of Check	\$20,050
22	July 16, 2012	Transfer of Check	\$12,050
23	July 16, 2012	Transfer of Check	\$13,400
24	July 26, 2012	Transfer of Check	\$22,560
25	July 22, 2012	Transfer of Check	\$24,750
26	July 25, 2012	Transfer of Check	\$19,500
27	July 25, 2012	Transfer of Check	\$19,400
28	July 27, 2012	Transfer of Check	\$8,060
29	July 30, 2012	Transfer of Check	\$5,500
30	August 2, 2012	Transfer of Check	\$11,520

1	Racketeering	Date of Financial	Type of	Amount of
2	Act	Transaction	Financial Transaction	Financial Transaction
3	31	August 5, 2012	Transfer of Check	\$14,380
4	32	August 10, 2012	Transfer of Check	\$8,050
5	33	August 13, 2012	Transfer of Check	\$9,024
6	34	August 15, 2012	Transfer of Check	\$14,816
7	35	August 22, 2012	Transfer of Check	\$14,424
8	36	August 27, 2012	Transfer of Check	\$18,900
9	37	August 31, 2012	Transfer of Check	\$23,700
10	38	September 4, 2012	Transfer of Check	\$9,000
11	39	September 7, 2012	Transfer of Check	\$18,600
12	40	September 10, 2012	Transfer of Check	\$9,000
13	41	September 17, 2012	Transfer of Check	\$18,720
14	42	September 20, 2012	Transfer of Check	\$15,800
15	43	September 21, 2012	Transfer of Check	\$9,000
16	44	September 24, 2012	Transfer of Check	\$16,400
17	45	September 24, 2012	Transfer of Check	\$8,500
18	46	September 28, 2012	Transfer of Check	\$18,044
19	47	October 4, 2012	Transfer of Check	\$18,000
20	48	October 8, 2012	Transfer of Check	\$19,750
21	49	October 13, 2012	Transfer of Check	\$29,400
22	50	October 19, 2012	Transfer of Check	\$9,000
23	51	October 22, 2012	Transfer of Check	\$20,400
24	52	October 25, 2012	Transfer of Check	\$10,200
25	53	October 30, 2012	Transfer of Check	\$14,125
26	54	November 5, 2012	Transfer of Check	\$14,125
27	55	November 9, 2012	Transfer of Check	\$24,000
28				



1	Racketeering	Date of Financial	Type of	Amount of
2	Act	Transaction	Financial Transaction	Financial Transaction
3	56	November 16, 2012	Transfer of Check	\$22,500
4	57	November 26, 2012	Transfer of Check	\$21,800
5	58	November 29, 2012	Transfer of Check	\$18,500
6	59	December 4, 2012	Transfer of Check	\$34,075
7	60	December 5, 2012	Transfer of Check	\$14,125
8	61	December 12, 2012	Transfer of Check	\$25,640
9	62	December 24, 2012	Transfer of Check	\$24,450
10	63	December 28, 2012	Transfer of Check	\$26,850
11	64	December 31, 2012	Transfer of Check	\$27,225
12	65	January 2, 2013	Transfer of Check	\$16,850
13	66	January 18, 2013	Transfer of Check	\$2,850
14	67	January 28, 2013	Transfer of Check	\$2,850
15	68	February 4, 2013	Transfer of Check	\$8,285
16	69	February 8, 2013	Transfer of Check	\$35,550
17	70	February 8, 2013	Transfer of Check	\$7,500
18	71	February 11, 2013	Transfer of Check	\$25,000
19	72	February 11, 2013	Transfer of Check	\$19,500
20	73	February 11, 2013	Transfer of Check	\$43,500
21	74	February 12, 2013	Transfer of Check	\$15,750
22	75	February 15, 2013	Transfer of Check	\$7,750
23	76	February 20, 2013	Transfer of Check	\$28,450
24	77	March 22, 2013	Transfer of Check	\$5,850
25	78	April 10, 2013	Transfer of Check	\$1,150
26	79	June 24, 2014	Transfer of Check	\$20,000
27	80	June 30, 2014	Transfer of Check	\$15,500
28				

1	Racketeering	Date of Financial	Type of	Amount of
2	Act	Transaction	Financial Transaction	Financial Transaction
3	81	July 1, 2014	Transfer of Check	\$25,000
4	82	July 7, 2014	Transfer of Check	\$25,000
5	83	July 7, 2014	Transfer of Check	\$21,000
6	84	July 7, 2014	Transfer of Check	\$35,000
7	85	July 8, 2014	Transfer of Check	\$25,000
8	86	July 10, 2014	Transfer of Check	\$25,000
9	87	July 14, 2014	Wire Transfer	\$23,500
10	88	July 14, 2014	Transfer of Check	\$35,000
11	89	July 15, 2014	Transfer of Check	\$16,000
12	90	July 21, 2014	Transfer of Check	\$39,250
13	91	July 22, 2014	Transfer of Check	\$25,000
14	92	July 23, 2014	Transfer of Check	\$25,000
15	93	July 28, 2014	Transfer of Check	\$25,000
16	94	July 28, 2014	Transfer of Check	\$25,750
17	95	August 4, 2014	Transfer of Check	\$35,000
18	96	August 4, 2014	Transfer of Check	\$23,500
19	97	August 12, 2014	Transfer of Check	\$30,000
20	98	August 15, 2014	Transfer of Check	\$25,000
21	99	August 15, 2014	Transfer of Check	\$30,000
22	100	August 17, 2014	Transfer of Check	\$16,500
23	101	August 20, 2014	Transfer of Check	\$30,000
24	102	August 21, 2014	Transfer of Check	\$25,000
25	103	August 25, 2014	Transfer of Check	\$31.250
26	104	August 26, 2014	Wire Transfer	\$20,000
27	105	September 12, 2014	Transfer of Check	\$40,000
28				

Racketeering Act	Date of Financial Transaction	Type of Financial Transaction	Amount of Financial Transaction
106	September 13, 2014	Transfer of Check	\$10,000
107	September 15, 2014	Transfer of Check	\$25,000
108	September 16, 2014	Transfer of Check	\$20,000
109	September 19, 2014	Transfer of Check	\$30,000
110	September 25, 2014	Transfer of Check	\$15,000
111	September 28, 2014	Transfer of Check	\$10,000
112	September 29, 2014	Transfer of Check	\$20,000
113	September 29, 2014	Transfer of Check	\$20,000
114	October 3, 2014	Transfer of Check	\$17,500
115	October 15, 2014	Transfer of Check	\$10,000
116	December 1, 2014	Transfer of Check	\$3,250
117	December 12, 2014	Transfer of Check	\$5,000
118	December 31, 2014	Transfer of Check	\$5,000

All in violation of Title 18, United States Code, Section 1962(c).

**COUNT THREE:** (18 U.S.C. § 1956(h) – Money Laundering Conspiracy)

13. Paragraphs 1 through 4 of this Indictment are realleged, repeated, and incorporated by reference as though fully set forth herein.

14. From at least in or about 2011, up through and including the date of this Indictment, in the Northern District of California and elsewhere, the defendants,

(1) VLADIMIR HANDL,

(2) MICHAEL ROSE,

(3) PETER SCALISE,

(4) PML CLUBS, INC.,

(5) DAVID GAITHER, and

(6) JONATHAN FERRARO,

1 and others known and unknown, unlawfully and knowingly combined, conspired, confederated, and  
2 agreed together and with each other to violate Title 18, United States Code, Section 1956(a)(3)(A) &  
3 (B).

4 15. It was a part and an object of the conspiracy that the defendants,

5 (1) VLADIMIR HANDL,

6 (2) MICHAEL ROSE,

7 (3) PETER SCALISE,

8 (4) PML CLUBS, INC.,

9 (5) DAVID GAITHER, and

10 (6) JONATHAN FERRARO,

11 and others known and unknown, with the intent to promote the carrying on of specified unlawful activity  
12 and to conceal and disguise the nature, location, source, ownership, and control of property believed to  
13 be the proceeds of specified unlawful activity, to wit, concealing property from a court in connection  
14 with a case under Title 11, in violation of Title 18, United States Code, Section 152, distribution of a  
15 controlled substance and possession of a controlled substance with intent to distribute, in violation of  
16 Title 21, United States Code, Section 841(a)(1), and conspiracy to distribute a controlled substance and  
17 to possess a controlled substance with intent to distribute, in violation of Title 21, United States Code,  
18 Section 846, unlawfully and knowingly would and did conduct and attempt to conduct a financial  
19 transaction involving property represented to be the proceeds of specified unlawful activity, and  
20 property used to conduct and facilitate specified unlawful activity, in violation of Title 18, United States  
21 Code, Section 1956(a)(3)(A) & (B).

22 All in violation of Title 18, United States Code, Section 1956(h).

23 COUNTS FOUR THROUGH SIXTEEN: (18 U.S.C. §§ 1956(a)(3)(A) & (B) and 2 – Money  
24 Laundering)

25 16. On or about the dates set forth in the following table, in the Northern District of  
26 California and elsewhere, the defendants,

27 VLADIMIR HANDL and

28 PETER SCALISE,

and others known and unknown, unlawfully and knowingly, and with the intent to promote the carrying on of specified unlawful activity and to conceal and disguise the nature, location, source, ownership, and control of property believed to be the proceeds of specified unlawful activity, to wit, concealing property from a court in connection with a case under Title 11, in violation of Title 18, United States Code, Section 152, conducted and attempted to conduct a financial transaction, to wit, wire transfers, involving property represented to be the proceeds of specified unlawful activity, and property used to conduct and facilitate specified unlawful activity, as described in the following table:

Count	Date of Financial Transaction	Type of Financial Transaction	Amount of Financial Transaction
4	January 17, 2012	Wire Transfer	\$13,500
5	January 23, 2012	Wire Transfer	\$22,500
6	January 30, 2012	Wire Transfer	\$22,500
7	February 6, 2012	Wire Transfer	\$22,500
8	February 13, 2012	Wire Transfer	\$22,500
9	February 21, 2012	Wire Transfer	\$22,500
10	February 27, 2012	Wire Transfer	\$22,500
11	March 5, 2012	Wire Transfer	\$22,500
12	March 12, 2012	Wire Transfer	\$22,500
13	March 19, 2012	Wire Transfer	\$22,500
14	March 26, 2012	Wire Transfer	\$22,500
15	April 3, 2012	Wire Transfer	\$22,500
16	April 9, 2012	Wire Transfer	\$9,000

All in violation of Title 18, United States Code, Sections 1956(a)(3)(A) & (B) and 2.

COUNTS SEVENTEEN THROUGH ONE HUNDRED TWENTY-ONE: (18 U.S.C. §§ 1956(a)(3)(B) and 2 – Money Laundering)

17. On or about the dates set forth in the following table, in the Northern District of California and elsewhere, the defendants,

(1) VLADIMIR HANDL,

(2) MICHAEL ROSE,

(3) PETER SCALISE, and

(4) PML CLUBS, INC.,

and others known and unknown, unlawfully and knowingly, and with the intent to conceal and disguise the nature, location, source, ownership, and control of property believed to be the proceeds of specified unlawful activity, to wit, distribution of a controlled substance and possession of a controlled substance with intent to distribute, in violation of Title 21, United States Code, Section 841(a)(1), and conspiracy to distribute a controlled substance and to possess a controlled substance with intent to distribute, in violation of Title 21, United States Code, Section 846, conducted and attempted to conduct a financial transaction, to wit, transfers of checks that were subsequently negotiated and wire transfers, involving property represented to be the proceeds of specified unlawful activity, as described in the following table:

Count	Date of Financial Transaction	Type of Financial Transaction	Amount of Financial Transaction
17	June 7, 2012	Transfer of Check	\$27,500
18	June 11, 2012	Transfer of Check	\$25,000
19	June 14, 2012	Transfer of Check	\$23,975
20	June 15, 2012	Transfer of Check	\$13,525
21	June 25, 2012	Transfer of Check	\$21,140
22	June 28, 2012	Transfer of Check	\$26,850
23	July 3, 2012	Transfer of Check	\$18,950
24	July 11, 2012	Transfer of Check	\$20,050
25	July 16, 2012	Transfer of Check	\$12,050
26	July 16, 2012	Transfer of Check	\$13,400
27	July 26, 2012	Transfer of Check	\$22,560
28	July 22, 2012	Transfer of Check	\$24,750

Count	Date of Financial Transaction	Type of Financial Transaction	Amount of Financial Transaction
29	July 25, 2012	Transfer of Check	\$19,500
30	July 25, 2012	Transfer of Check	\$19,400
31	July 27, 2012	Transfer of Check	\$8,060
32	July 30, 2012	Transfer of Check	\$5,500
33	August 2, 2012	Transfer of Check	\$11,520
34	August 5, 2012	Transfer of Check	\$14,380
35	August 10, 2012	Transfer of Check	\$8,050
36	August 13, 2012	Transfer of Check	\$9,024
37	August 15, 2012	Transfer of Check	\$14,816
38	August 22, 2012	Transfer of Check	\$14,424
39	August 27, 2012	Transfer of Check	\$18,900
40	August 31, 2012	Transfer of Check	\$23,700
41	September 4, 2012	Transfer of Check	\$9,000
42	September 7, 2012	Transfer of Check	\$18,600
43	September 10, 2012	Transfer of Check	\$9,000
44	September 17, 2012	Transfer of Check	\$18,720
45	September 20, 2012	Transfer of Check	\$15,800
46	September 21, 2012	Transfer of Check	\$9,000
47	September 24, 2012	Transfer of Check	\$16,400
48	September 24, 2012	Transfer of Check	\$8,500
49	September 28, 2012	Transfer of Check	\$18,044
50	October 4, 2012	Transfer of Check	\$18,000
51	October 8, 2012	Transfer of Check	\$19,750
52	October 13, 2012	Transfer of Check	\$29,400
53	October 19, 2012	Transfer of Check	\$9,000

1	Count	Date of Financial	Type of	Amount of
2		Transaction	Financial Transaction	Financial Transaction
3	54	October 22, 2012	Transfer of Check	\$20,400
4	55	October 25, 2012	Transfer of Check	\$10,200
5	56	October 30, 2012	Transfer of Check	\$14,125
6	57	November 5, 2012	Transfer of Check	\$14,125
7	58	November 9, 2012	Transfer of Check	\$24,000
8	59	November 16, 2012	Transfer of Check	\$22,500
9	60	November 26, 2012	Transfer of Check	\$21,800
10	61	November 29, 2012	Transfer of Check	\$18,500
11	62	December 4, 2012	Transfer of Check	\$34,075
12	63	December 5, 2012	Transfer of Check	\$14,125
13	64	December 12, 2012	Transfer of Check	\$25,640
14	65	December 24, 2012	Transfer of Check	\$24,450
15	66	December 28, 2012	Transfer of Check	\$26,850
16	67	December 31, 2012	Transfer of Check	\$27,225
17	68	January 2, 2013	Transfer of Check	\$16,850
18	69	January 18, 2013	Transfer of Check	\$2,850
19	70	January 28, 2013	Transfer of Check	\$2,850
20	71	February 4, 2013	Transfer of Check	\$8,285
21	72	February 8, 2013	Transfer of Check	\$35,550
22	73	February 8, 2013	Transfer of Check	\$7,500
23	74	February 11, 2013	Transfer of Check	\$25,000
24	75	February 11, 2013	Transfer of Check	\$19,500
25	76	February 11, 2013	Transfer of Check	\$43,500
26	77	February 12, 2013	Transfer of Check	\$15,750
27	78	February 15, 2013	Transfer of Check	\$7,750
28				



1	Count	Date of Financial	Type of	Amount of
2		Transaction	Financial Transaction	Financial Transaction
3	79	February 20, 2013	Transfer of Check	\$28,450
4	80	March 22, 2013	Transfer of Check	\$5,850
5	81	April 10, 2013	Transfer of Check	\$1,150
6	82	June 24, 2014	Transfer of Check	\$20,000
7	83	June 30, 2014	Transfer of Check	\$15,500
8	84	July 1, 2014	Transfer of Check	\$25,000
9	85	July 7, 2014	Transfer of Check	\$25,000
10	86	July 7, 2014	Transfer of Check	\$21,000
11	87	July 7, 2014	Transfer of Check	\$35,000
12	88	July 8, 2014	Transfer of Check	\$25,000
13	89	July 10, 2014	Transfer of Check	\$25,000
14	90	July 14, 2014	Wire Transfer	\$23,500
15	91	July 14, 2014	Transfer of Check	\$35,000
16	92	July 15, 2014	Transfer of Check	\$16,000
17	93	July 21, 2014	Transfer of Check	\$39,250
18	94	July 22, 2014	Transfer of Check	\$25,000
19	95	July 23, 2014	Transfer of Check	\$25,000
20	96	July 28, 2014	Transfer of Check	\$25,000
21	97	July 28, 2014	Transfer of Check	\$25,750
22	98	August 4, 2014	Transfer of Check	\$35,000
23	99	August 4, 2014	Transfer of Check	\$23,500
24	100	August 12, 2014	Transfer of Check	\$30,000
25	101	August 15, 2014	Transfer of Check	\$25,000
26	102	August 15, 2014	Transfer of Check	\$30,000
27	103	August 17, 2014	Transfer of Check	\$16,500
28				

Count	Date of Financial Transaction	Type of Financial Transaction	Amount of Financial Transaction
104	August 20, 2014	Transfer of Check	\$30,000
105	August 21, 2014	Transfer of Check	\$25,000
106	August 25, 2014	Transfer of Check	\$31,250
107	August 26, 2014	Wire Transfer	\$20,000
108	September 12, 2014	Transfer of Check	\$40,000
109	September 13, 2014	Transfer of Check	\$10,000
110	September 15, 2014	Transfer of Check	\$25,000
111	September 16, 2014	Transfer of Check	\$20,000
112	September 19, 2014	Transfer of Check	\$30,000
113	September 25, 2014	Transfer of Check	\$15,000
114	September 28, 2014	Transfer of Check	\$10,000
115	September 29, 2014	Transfer of Check	\$20,000
116	September 29, 2014	Transfer of Check	\$20,000
117	October 3, 2014	Transfer of Check	\$17,500
118	October 15, 2014	Transfer of Check	\$10,000
119	December 1, 2014	Transfer of Check	\$3,250
120	December 12, 2014	Transfer of Check	\$5,000
121	December 31, 2014	Transfer of Check	\$5,000

All in violation of Title 18, United States Code, Sections 1956(a)(3)(B) and 2.

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1 COUNT ONE HUNDRED TWENTY-TWO: (18 U.S.C. § 1956(h) – Money Laundering Conspiracy)

2 18. From at least in or about 2010, up through and including the date of this Indictment, in  
3 the Northern District of California and elsewhere, the defendants,

4 RICHARD LEYLAND and

5 EDWIN HETHERTON,

6 and others known and unknown, unlawfully and knowingly combined, conspired, confederated, and  
7 agreed together and with each other to violate Title 18, United States Code, Section 1956(a)(3)(A) &  
8 (B).

9 19. It was a part and an object of the conspiracy that the defendants,

10 RICHARD LEYLAND and

11 EDWIN HETHERTON,

12 and others known and unknown, with the intent to promote the carrying on of specified unlawful activity  
13 and to conceal and disguise the nature, location, source, ownership, and control of property believed to  
14 be the proceeds of specified unlawful activity, to wit, concealing property from a court in connection  
15 with a case under Title 11, in violation of Title 18, United States Code, Section 152, unlawfully and  
16 knowingly would and did conduct and attempt to conduct a financial transaction involving property  
17 represented to be the proceeds of specified unlawful activity, and property used to conduct and facilitate  
18 specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(3)(A) & (B).

19 All in violation of Title 18, United States Code, Section 1956(h).

20 COUNTS ONE HUNDRED TWENTY-THREE THROUGH ONE HUNDRED TWENTY-FIVE: (18  
21 U.S.C. §§ 1956(a)(3)(A) & (B) and 2 – Money Laundering)

22 20. On or about the dates set forth in the following table, in the Northern District of  
23 California and elsewhere, the defendant,

24 EDWIN HETHERTON,

25 and others known and unknown, unlawfully and knowingly, and with the intent to promote the carrying  
26 on of specified unlawful activity and to conceal and disguise the nature, location, source, ownership, and  
27 control of property believed to be the proceeds of specified unlawful activity, to wit, concealing property  
28 from a court in connection with a case under Title 11, in violation of Title 18, United States Code,

Section 152, conducted and attempted to conduct a financial transaction, to wit, wire transfers, involving property represented to be the proceeds of specified unlawful activity, and property used to conduct and facilitate specified unlawful activity, as described in the following table:

Count	Date of Financial Transaction	Type of Financial Transaction	Amount of Financial Transaction
123	March 2, 2010	Wire Transfer	\$45,750
124	March 4, 2010	Wire Transfer	\$40,000
125	March 12, 2010	Wire Transfer	\$35,000

All in violation of Title 18, United States Code, Sections 1956(a)(3)(A) & (B) and 2.

COUNTS ONE HUNDRED TWENTY-SIX THROUGH ONE HUNDRED TWENTY-NINE: (18

U.S.C. §§ 1956(a)(3)(A) & (B) and 2 – Money Laundering)

21. On or about the dates set forth in the following table, in the Northern District of California and elsewhere, the defendant,

RICHARD LEYLAND,

and others known and unknown, unlawfully and knowingly, and with the intent to promote the carrying on of specified unlawful activity and to conceal and disguise the nature, location, source, ownership, and control of property believed to be the proceeds of specified unlawful activity, to wit, concealing property from a court in connection with a case under Title 11, in violation of Title 18, United States Code, Section 152, conducted and attempted to conduct a financial transaction, to wit, wire transfers, involving property represented to be the proceeds of specified unlawful activity, and property used to conduct and facilitate specified unlawful activity, as described in the following table:

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Count	Date of Financial Transaction	Type of Financial Transaction	Amount of Financial Transaction
126	September 27, 2010	Wire Transfer	\$48,000
127	October 4, 2010	Wire Transfer	\$52,000
128	October 13, 2010	Wire Transfer	\$65,000
129	December 22, 2010	Wire Transfer	\$20,000

All in violation of Title 18, United States Code, Sections 1956(a)(3)(A) & (B) and 2.

COUNT ONE HUNDRED THIRTY: (18 U.S.C. §§ 641 and 2 – Theft of United States Property)

22. From at least in or about early 2010, up through and including in or about July 2011, in the Northern District of California and elsewhere, the defendant,

EDWIN HETHERTON,

and others known and unknown, unlawfully and knowingly embezzled, stole, purloined, and knowingly converted to his use and the use of another money of the United States and a department and agency thereof, to wit, HETHERTON stole approximately \$29,000 of undercover money of the United States.

All in violation of Title 18, United States Code, Sections 641 and 2.

COUNT ONE HUNDRED THIRTY-ONE: (18 U.S.C. §§ 641 and 2 – Theft of United States Property)

23. From at least in or about early September 2010, up through and including on or about October 22, 2010, in the Northern District of California and elsewhere, the defendant,

RICHARD LEYLAND,

and others known and unknown, unlawfully and knowingly embezzled, stole, purloined, and knowingly converted to his use and the use of another money of the United States and a department and agency thereof, to wit, HETHERTON stole approximately \$60,000 of undercover money of the United States.

All in violation of Title 18, United States Code, Sections 641 and 2.

COUNT ONE HUNDRED THIRTY-TWO: (21 U.S.C. § 846 – Conspiracy to Distribute a Controlled Substance/Possess a Controlled Substance with Intent to Distribute)

24. From at least in or about March 2014, up through and including the date of this Indictment, in the Northern District of California and elsewhere, the defendants,

1 VLADIMIR HANDL and

2 PAUL FINK,

3 and others known and unknown, unlawfully, knowingly, and intentionally combined, conspired,  
4 confederated, and agreed together and with each other to distribute a controlled substance and to possess  
5 a controlled substance with intent to distribute, to wit, cocaine, in violation of Title 21, United States  
6 Code, Sections 841(a)(1) and (b)(1)(C).

7 All in violation of Title 21, United States Code, Section 846.

8 FORFEITURE ALLEGATIONS: (18 U.S.C. § 1963 – Proceeds and Property Involved in Racketeering;  
9 18 U.S.C. § 982(a)(1) – Proceeds and Property Involved in Money Laundering; 18 U.S.C. §  
10 981(a)(1)(C) and 28 U.S.C. § 2461(c) – Proceeds and Property Derived from Theft of United States  
11 Property; and 21 U.S.C. § 853(a)(1) & (2) – Proceeds and Property Derived from Narcotics Offenses)

12 25. Counts One and Two of this Indictment are realleged, repeated, and incorporated by  
13 reference as though fully set forth herein for the purpose of alleging forfeiture pursuant to the provisions  
14 of Title 18, United States Code, Section 1963.

15 26. Upon conviction of any one of the offenses alleged in Count One and Count Two, the  
16 defendants,

17 (1) VLADIMIR HANDL,

18 (2) MICHAEL ROSE,

19 (3) PETER SCALISE,

20 (4) PML CLUBS, INC.,

21 (5) DAVID GAITHER, and

22 (6) JONATHAN FERRARO,

23 shall, pursuant to Title 18, United States Code, Section 1963, forfeit to the United States of America:

24 a. Any interest acquired and maintained in violation of section 1962;

25 b. Any interest in, security of, claim against, and property and contractual right of  
26 any kind affording a source of influence over, any enterprise which the defendants established, operated,  
27 controlled, conducted, and participated in the conduct of, in violation of section 1962; and

28 c. Any property constituting, and derived from, any proceeds obtained, directly and

1 indirectly, from racketeering activity and unlawful debt collection in violation of 1962.

2 27. Counts Three to One Hundred Twenty-Nine of this Indictment are realleged, repeated,  
3 and incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture  
4 pursuant to the provisions of Title 18, United States Code, Section 982(a)(1).

5 28. Upon conviction of any one of the offenses alleged in Count Three to Count One  
6 Hundred Twenty-Nine of this Indictment, the defendants,

7 (1) VLADIMIR HANDL,

8 (2) MICHAEL ROSE,

9 (3) PETER SCALISE,

10 (4) PML CLUBS, INC.,

11 (5) DAVID GAITHER,

12 (6) JONATHAN FERRARO,

13 (7) EDWIN HETHERTON, and

14 (8) RICHARD LEYLAND,

15 shall, pursuant to 18 U.S.C. § 982(a)(1), forfeit to the United States any property, real and personal,  
16 involved in said violations, and any property traceable to such property.

17 29. Counts One Hundred Thirty to One Hundred Thirty-One of this Indictment are realleged,  
18 repeated, and incorporated by reference as though fully set forth herein for the purpose of alleging  
19 forfeiture pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C) and Title 28,  
20 United States Code, Section 2461(c).

21 30. Upon conviction of any one of the offenses alleged in Counts One Hundred Thirty and  
22 One Hundred Thirty-One of this Indictment, the defendants,

23 RICHARD LEYLAND and

24 EDWIN HETHERTON

25 shall, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code,  
26 Section 2461(c), forfeit to the United States any property, real and personal, which constitutes or is  
27 derived from proceeds traceable to said violations, and a conspiracy to commit said violations.

28 31. Count One Hundred Thirty-Two of this Indictment are realleged, repeated, and

1 incorporated by reference as though fully set forth herein for the purpose of alleging forfeiture pursuant  
2 to the provisions of Title 21, United States Code, Section 853(a)(1) & (2).

3 32. Upon conviction of the offense alleged in Count One Hundred Thirty-Two of this  
4 Indictment, the defendants,

5 VLADIMIR HANDL and

6 PAUL FINK,

7 shall, pursuant to Title 21, United States Code, Section 853(a)(1) & (2), forfeit to the United States all  
8 right, title, and interest in property constituting and derived from any proceeds defendants obtained,  
9 directly and indirectly, as a result of said violations, and any property used, and intended to be used, in  
10 any manner and part, to commit, or to facilitate the commission of the said violations, and any property  
11 traceable to such property.

12 33. If any of the property described above, as a result of any act or omission of the  
13 defendants:

- 14 a. Cannot be located upon the exercise of due diligence;  
15 b. Has been transferred or sold to, or deposited with, a third party;  
16 c. Has been placed beyond the jurisdiction of the court;  
17 d. Has been substantially diminished in value; or  
18 e. Has been commingled with other property which cannot be divided without  
19 difficulty,

20 //



1 the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 18,  
2 United States Code, Sections 982(b)(1) and 1963(m), and Title 21, United States Code, Section 853(p).

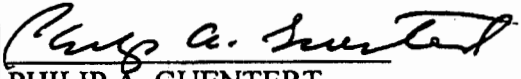
3 All pursuant to Title 18, United States Code, Sections 1963, 982(a)(1), and 981(a)(1)(C), Title  
4 21, United States Code, Section 853(a)(1) & (2), and Title 28, United States Code, Section 2461(c).


5  
6 DATED: 2/24/15

A TRUE BILL.

7  
8  
9  
10 MELINDA HAAG  
United States Attorney

  
FOREPERSON

11  
12   
13 PHILIP A. GUENTERT  
Deputy Chief, Criminal Division

14  
15 (Approved as to form: )  
16 W.S. WILSON LEUNG  
Assistant United States Attorney